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In the

Supreme Court of the United States.

OCTOBER TERM, 1946.

No. 217

MISHAWAKA RUBBER & WOOLEN MANUFACTURING COMPANY,
Petitioner,

v.

PANTHER-PANCO RUBBER CO., INC.,
Respondent.

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

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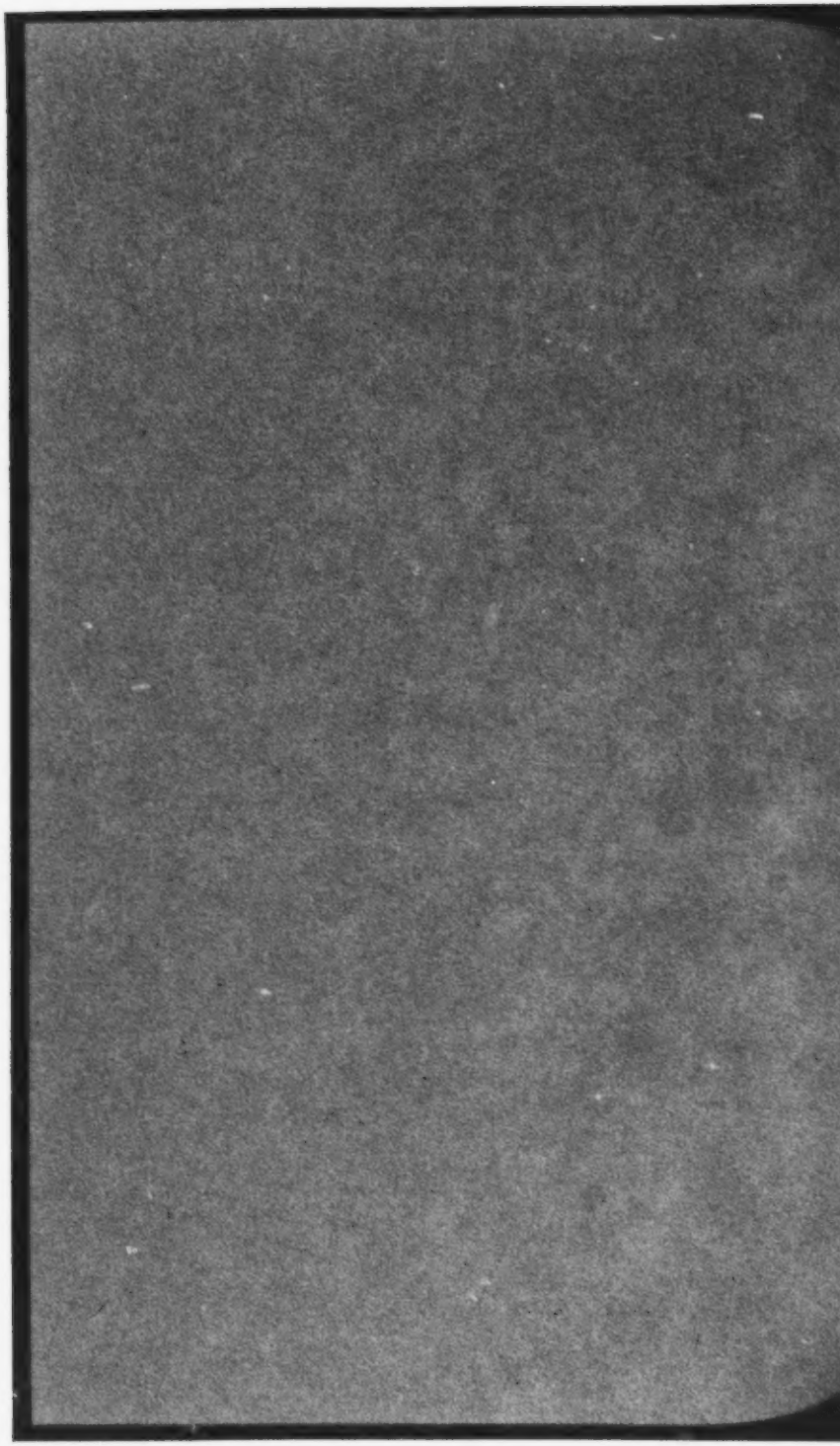

TABLE OF CONTENTS.

	Page
General Statement	1
Point I	2
No Conflict with Decisions of Other Courts	4
Point II	6
Point III	8

TABLE OF CASES CITED.

Brunswick-Balke-Collender Co. v. American Bowling and Billiard Corp., 150 F. (2d) 69	8
California v. San Pablo Railroad, 149 U. S. 308	10
Cleo Syrup Corp. v. The Coca-Cola Co., 139 F. (2d) 416	7
James Heddon's Sons v. Millsite Steel & Wire Works, 128 F. (2d) 6	7
Kellogg Co. v. National Biscuit Co., 305 U. S. 111	9
George W. Luft Co., Inc. v. Zande Cosmetic Co., Inc., 142 F. (2d) 536	7
Mishawaka Rubber & Woolen Mfg. Co. v. S. S. Kresge Co., 316 U. S. 203	5, 8
Mishawaka Rubber & Woolen Mfg. Co. v. S. S. Kresge Co., 119 F. (2d) 316	5
G. H. Mumm Champagne v. Eastern Wine Corp., 142 F. (2d) 499	7
Pecheur Lozenge, Inc. v. National Candy Co., Inc., 314 U. S. 603; 315 U. S. 666	6, 10
The Pennzoil Co. v. Crown Central Petroleum Corp., 140 F. (2d) 387	7

Page

Selchow & Righter Co. v. Western Printing & Lithographing Co., 142 F. (2d) 707 7

Seven Up Co. v. Cheer Up Sales Co., 148 F. (2d) 909 . 7

Skinner Mfg. Co. v. Kellogg Sales Co., 143 F. (2d) 895 . 7

Taylor Instrument Co. v. Fawley-Brost Co., 139 F. (2d) 98, 7

Time, Inc. v. Viobin Corporation, 128 F. (2d) 860 . . 7

Trade Mark Cases, 100 U. S. 82 5

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BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

GENERAL STATEMENT.

This is an ordinary trade-mark suit, involving allegations of trade-mark infringement and unfair competition. As in most trade-mark cases, the issues are primarily issues of fact. As stated by the Circuit Court of Appeals, "The basic test, of course, is the likelihood of confusion, which depends on the facts of the particular case" (R. 164). On the facts of this case, the Court held that there was no likelihood of confusion between plaintiff's and defendant's marks.

We submit that there are no "special and important reasons" for the grant of the writ, as we shall attempt to show in the following sections, which follow the same order as the points raised by the petitioner.

POINT I.

Petitioner's Point I, and Questions 1 and 2, do not fit the facts of the case or the decision of the Court below. The actual ruling of the Court is in entire conformity with the Act of Congress, the decisions of this Court, and the controlling decisions of the several Circuit Courts of Appeals.

The petitioner flatly states that the Court of Appeals *decided* that

> "a registered trade-mark consisting of a geometric symbol in a specific color is not infringed by a substantially identical symbol of the same color when a name or design is added thereto" (Petition, page 10).

That is not a fair statement of what the Court held. At no part of the petition or brief does the petitioner make any adequate quotation from or reference to the actual opinion of the Court to support the assertion.

Respondent does not use a mark "substantially identical" to that of the petitioner. The views of the Court with respect to the lack of identity between the plaintiff's and defendant's marks are shown by the following excerpts, which the petitioner neither quotes nor refers to:

> "The district court in the decree now under review dismissed the complaint in so far as it was based upon defendant's use of the red oval mark [Exhibit 1] on its rubber soles, upon a finding that the buying public would not thereby 'be confused in buying the defendant's product by way of thinking that the product which they are purchasing is the plaintiff's'. A challenge of the correctness of this ruling is the main issue urged by plaintiff in its appeal. We think that the district court committed no error in this respect." (R. 162.)
>
> "It is of some significance that, notwithstanding defendant's long-continued use of the accused red oval

mark, plaintiff produced no evidence of actual confusion in the minds of purchasers due to such use. See *Patton Paint Co.* v. *Sunset Paint Co.*, 290 Fed. 323, 326." (R. 163.)

"The first impression one gets in examining defendant's red oval mark [Exhibit 1] is that the word 'Panco' in large capital letters is the dominating feature, with the red oval serving merely as a background having the effect of making 'Panco' stand out more distinctly." (R. 163.)

"This particular mark [Exhibit 2], whether in red or black, quite obviously has no deceptive similarity to plaintiff's red circle. The district court rightly held it was no infringement and rightly dismissed the complaint with respect thereto." (R. 165.)

"Defendant's accused mark in Exhibit 3, a solid red diamond-shaped inset vulcanized to the tread, with defendant's trade-mark 'Pan-Cord' embossed thereon, could not possibly be mistaken for plaintiff's so-called 'distinctive ensemble'." (R. 173.)

"In our opinion, Exhibit 4 would not give the impression, even to a casual buyer, let alone a professional buyer in the shoe repair trade, that the red circle is the distinguishing mark of defendant's product Upon the contrary, the red circle appears to be merely the background for displaying a picture of the product within the carton, namely, a rubber heel bearing on its tread side defendant's 'Panco Triplewear' trade-mark." (R. 167.)

Furthermore, the phrasing of Questions 1 and 2 and Point I is not in accord with the Court's recognition of the essential and fundamental difference in the nature of the marks involved. This appears in the long paragraph on pages 166 and 167 of the record. Petitioner, although aggrieved

by this part of the opinion, understandably refrains from quoting it, but we quote it in full:

> "The record contains impressive evidence, of what indeed is common knowledge, that the use in all fields of merchandising of a red background in the shape of a circle or other simple geometric figure is one of the commonest advertising devices for the vivid display of a slogan, or catchword, or name or arbitrary design selected as a trade-mark. By dint of extensive and persistent advertising, plaintiff has succeeded in giving to the red circle a secondary meaning as the trade-mark of its boots and shoes. But it is an inescapable weakness of plaintiff's mark that the general public will not always associate a red circle with plaintiff's product; it is too familiar with the everyday use of a red circle as a display background. Such association will only result where the red circle is so used as to convey the impression of being the trade-mark itself rather than serving merely as a background for the projection of some word or phrase or design."

Clearly, if the only basis on which any trade-mark rights at all can be saved for the petitioner is by according a "secondary meaning" to the bare red circle, petitioner has no standing to prevent anyone from using colored labels as display backgrounds in the common or "primary" sense. The actual decision of the Court of Appeals, as stated by the Court itself and not as masked by petitioner's questions, is a sound decision on the facts of this case.

No Conflict with Decisions of Other Courts.

The alleged conflict between the decision of the Court below and the decisions of other courts is generated only because of petitioner's factitious framing of the questions. No real conflict exists.

Most of the cases cited by petitioner on pages 12–18 are cases in which the courts found, *on the particular facts,*

that there was confusing similarity between the marks of the respective parties. In this case, the Court below held that there was no such similarity.

The pertinency of the *Trade-Mark Cases,* 100 U.S. 82, is doubted, since the point there decided was the unconstitutionality of the Trade-Mark Act of 1870. In that part of the opinion which is quoted on page 12 of petitioner's brief, the Court is discussing the difference between trade-marks on the one hand and patents and copyrights on the other. The point of that discussion is simply that the section of the Constitution dealing with patents and copyrights did not authorize Congress to pass a federal trade-mark law. When the point of the decision is so different from the present case, it shows how far petitioner has had to go to manufacture a "conflict".

The petitioner attempts to make out a conflict between the decision of the Court below and the decision of this Court in *Mishawaka Rubber & Woolen Mfg. Co.* v. *S. S. Kresge Co.,* 316 U.S. 203. This Court was there dealing only with a question of accounting. The quotation from this Court's opinion which appears on page 13 of petitioner's brief is part of the context of the opinion in respect to the accounting issue. We assume that the word "symbol" is there used in the dictionary sense of "that which stands for or suggests something else", and that no unusual value is imputed to a trade-mark in the form of a geometric symbol, as distinguished from any other kind of trade-mark. There is clearly no conflict.

Nor is there any conflict with the decision in the Sixth Circuit in *Mishawaka Rubber & Woolen Mfg. Co.* v. *S. S. Kresge* (119 F. (2d) 316). The Sixth Circuit Court *did not* affirm "the District Court holding that a red or reddish circular figure with an Indian head or a knight's head design embossed thereon constituted an infringement of petitioner's red circular mark." The defendant did not appeal

from the decree of the District Court and there was no occasion for the Court of Appeals to pass on that holding. The case was before the Circuit Court of Appeals only on *petitioner's* appeal, in which, among other things, petitioner attempted to get the Court to hold that the use of colors other than red was an infringement. In the course of the opinion the Court said,

> "A circle or ball as a trademark is *publici juris* where it has not acquired a secondary meaning as in the case here and therefore appellant can claim no exclusive right to their use standing alone." (119 Fed. (2d) at 325.)

Thus, both the Sixth Circuit and the First Circuit Courts of Appeals accord petitioner's mark no more than a secondary meaning. The decisions are in harmony, rather than conflict.

POINT II.

Petitioner's Point II is devoted to the substance of Question 3 which reads as follows:

> In a suit for infringement of a trade-mark registered under the Trade-mark Act of 1905, should local law or federal law be applied?

The petitioner makes no assertion that local law rather than federal law should be applied in the case of a registered mark, but presents the point with the suggestion that this Court might like to consider the question at this time in order that uncertainty as to the applicable law might be disposed of. This suggestion is based on the fact that this Court granted certiorari in *Pecheur Lozenge, Inc.* v. *National Candy Co., Inc.* in order to determine that question. It appears that the point was raised by this Court on its own motion; the petition of Pecheur Lozenge Co., Inc. presented no such question, but in the order granting certiorari,

the Court requested counsel to present their views as to whether state law governs (314 U.S. 603). However, subsequent examination of the exhibits showed that the petitioner's mark had not been registered under the 1905 Act, so that the point could not be decided (315 U.S. 666).

If this Court desired to examine the question, it has had ample opportunity to do so since the *Pecheur* case. For example, *Time, Inc.* v. *Viobin Corporation* (128 F. (2d) 860) decided by the Circuit Court of Appeals for the Seventh Circuit, presents the issue squarely and decides that federal law must be applied in a suit on a federal registered trade-mark. Yet this Court denied certiorari (317 U.S. 673).

In fact, any trade-mark case involving a mark registered under the Act of 1905 would have served. Notwithstanding, since the *Pecheur* case, certiorari has been denied by this Court in all of the following cases in which the question might have been taken up:

James Heddon's Sons v. *Millsite Steel & Wire Works,* 128 F. (2d) 6, Cert. den. 317 U.S. 674.

Cleo Syrup Corp. v. *The Coca-Cola Co.,* 139 F. (2d) 416, Cert. den. 321 U.S. 781.

Taylor Instrument Co. v. *Fawley-Brost Co.,* 139 F. (2d) 98, Cert. den. 321 U.S. 785.

The Pennzoil Co. v. *Crown Central Petroleum Corp.,* 140 F. (2d) 387, Cert. den. 322 U.S. 750.

G. H. Mumm Champagne v. *Eastern Wine Corp.,* 142 F. (2d) 499, Cert. den. 323 U.S. 715.

George W. Luft Co., Inc. v. *Zande Cosmetic Co., Inc.,* 142 F. (2d) 536, Cert. den. 323 U.S. 756.

Selchow & Righter Co. v. *Western Printing & Lithographic Co.,* 142 F. (2d) 707, Cert. den. 323 U.S. 735.

Skinner Mfg. Co. v. *Kellogg Sales Co.,* 143 F. (2d) 895, Cert. den. 323 U.S. 766.

Seven Up Co. v. *Cheer Up Sales Co.,* 148 F. (2d) 909, Cert. den. 90 L. Ed. 38, 67 U.S. Pat. Q. 360.

The Brunswick-Balke-Collender Co. v. *American Bowling & Billiard Corp.*, 150 F. (2d) 69, Cert. den. 90 L. Ed. 57, 67 U.S. Pat. Q. 359.

Furthermore, in *Mishawaka Rubber & Woolen Manufacturing Company* v. *S. S. Kresge Company* (316 U.S. 203), wherein this Court had granted certiorari to consider another question, the Pepsi-Cola Company filed a brief *amicus curiae* requesting this Court to pass on this specific question of local law vs. federal law, even though the point had not been raised by the petitioner who, it should be noted, is the same petitioner as here. This Court, however, did not see fit to pass upon that question.

The petitioner has framed no crucial point which might affect the outcome of the case. There is nothing to show that the decision would have been any different whether state or federal law had been applied. There appears to be no reason why this Court should grant certiorari for disposition of this issue.

POINT III.

Point III of petitioner's brief urges that the Court below erred in applying Massachusetts law on the issue of unfair competition.

It is important at the outset to frame the issue properly. When the exact issue decided by the Court below is properly set forth and the decision of the Court is considered, it will be found that there is no ground upon which the petitioner could prevail.

The issue of unfair competition as treated by the Court below is specific to the petitioner's unregistered mark, consisting of a red circle enclosed within a plain embossed diamond. Although the circle is a registered trade-mark, the ensemble of the circle and diamond is not registered. The accused mark used by respondent is Exhibit 3, a label in which the words "Pancord" and "Cord-on-End" are embossed within a red diamond.

The issue here is one of unfair competition, because the ensemble claimed by the petitioner as its distinctive mark was not registered.

That part of the opinion of the Circuit Court of Appeals which has to do with this aspect of the case is in the concluding five paragraphs appearing on pages 171–173 of the record. The District Court had held that there was no unfair competition because under Massachusetts law "direct competition is necessary to support a charge of unfair competition". The Circuit Court of Appeals, *without specifically holding that Massachusetts law governed,* said that the Massachusetts cases do not lay down any such inflexible rule of law. The Court of Appeals further said that, if defendant's diamond mark were really "deceptively similar" to the unregistered trade-mark owned by the plaintiff, the Massachusetts courts would hold the defendant liable. So far as the interpretation of Massachusetts law was concerned, the Court held with the plaintiff.

Thus, the Court decided that the basis of test in the Massachusetts courts would be whether the marks were "deceptively similar". This is obviously the same test that would be applied if the Court were deciding the case on the basis of federal law. The Court drew no distinction or pointed to no difference between Massachusetts and federal law. The concluding paragraph of the opinion on page 173 shows that the Court decided *on the facts* that defendant's trade-mark "could not possibly be mistaken for plaintiff's so-called 'distinctive ensemble' ". If it could not possibly be mistaken for plaintiff's mark, there is no cause of action under federal, Massachusetts, or any, law.

In spite of all that has been said and written about state vs. federal law in trade-mark cases, the question probably has more academic than practical value. The footnote in *Kellogg Co.* v. *National Biscuit Co.,* 305 U.S. 111, 113 (quoted by petitioner on page 22), stating that

> "no claim has been made that the local law is any different from the general law on the subject, and both parties have relied almost entirely on federal precedents",

is in accord with general experience. Certainly it is in accord with the experience in this case, for while petitioner claims to have been "denied relief under the law of Massachusetts", it makes no showing that the Massachusetts law, as interpreted by the Court below, is any less favorable to petitioner than the law of any other forum.

On the other hand, if the issue is of such grave importance as petitioner contends, this Court should not undertake to review its decision in *Pecheur Lozenge Co., Inc.* v. *National Candy Co., Inc., supra,** until a proper case is presented in which there is a crucial difference between local and federal law (or between the laws of two different states), so that the outcome of the case would be dependent on the choice of the applicable law. Any decision of such an issue here would be in the nature of an advisory opinion. As stated by this Court in *California* v. *San Pablo Railroad*, 149 U.S. 308, 314:

> "The duty of this court, as of every judicial tribunal, is limited to determining rights of persons or of property, which are actually controverted in the particular case before it. When, in determining such rights, it becomes necessary to give an opinion upon a question of law, that opinion may have weight as a precedent for future decisions. But the court is not empowered to decide moot questions or abstract propositions, or to declare, for the government of future cases, principles or rules of law which cannot affect the result as to the thing in issue in the case before it."

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* "The only cause of action that this record could possibly support is for unfair competition and common law trade-mark infringement, to which local law applies."

We submit that the petition should be denied.

Respectfully submitted,

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